



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

AUG 25 2008

UIL No. 40803-00

Legend:

Taxpayer A =

Date 1 =

Date 2 =

Amount A =

Amount B =

IRA X =

Company A =

Company B =

Bank A =

SE:T:EP:RA:T4

Dear:

This is in response to your letter dated \* \* \*, supplemented by correspondence dated \* \* \*, in which you request a waiver of the 60-day rollover requirement contained in section 408(d)(3) of the Internal Revenue Code (the "Code").

Taxpayer A, age , represents that on Date 1 he received a distribution totaling Amount B from IRA X. Taxpayer A asserts that his failure to accomplish a rollover within the 60-day period prescribed by section 408(d)(3) of the Code was due to his medical condition which impaired his memory and his ability to timely roll over Amount B. Taxpayer A further represents that Amount B has not been used for any other purpose.

Under penalty of perjury, Taxpayer A submits the following facts and representations in support of the ruling requested.

Taxpayer A maintained IRA X with Company A. Company B is the holding company for Company A. Taxpayer A represents that Company B issued subprime mortgages, and that based upon information reported in the national press, Company B planned to file for bankruptcy.

IRA X had a balance of Amount A on Date 1. Taxpayer A represents further that because Amount A exceeded the insurance protection afforded, on Date 1 he wired Amount B from IRA X to Bank A. Company B subsequently replaced their top management, received a large capital infusion from a major investor and did not file for bankruptcy.

Finally, Taxpayer A represents that it was his intent to place Amount B in Bank A where it would be safe, and reinvest Amount B in another IRA. However, because of his medical condition, he forgot to make the rollover in a timely manner. When he realized his mistake approximately two weeks after the expiration of the 60-day period, he wired Amount B back to IRA X on Date 2.

Documentation submitted by Taxpayer A's treating physician reflects that Taxpayer A has been treated for medical conditions which have left Taxpayer A with memory problems.

Based on the facts and representations, Taxpayer A requests that the Internal Revenue Service (the Service") waive the 60 day rollover requirement contained in section 408(d)(3) of the Code, with respect to the distribution of Amount B from IRA X.

Section 408(d)(1) of the Code provides that, except as otherwise provided in section 408(d), any amount paid or distributed out of an IRA shall be included in gross income by the payee or distributee, as the case may be, in the manner provided under section 72 of the Code.

Section 408(d)(3) of the Code defines, and provides the rules applicable to IRA rollovers.

Section 408(d)(3)(A) of the Code provides that section 408(d)(1) of the Code does not apply to any amount paid or distributed out of an IRA to the individual for whose benefit the IRA is maintained if

(i) the entire amount received (including money and any other property) is paid into an IRA for the benefit of such individual not later than the 60th day after the day on which the individual receives the payment or distribution; or

(ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan (other than an IRA) for the benefit of such individual not later than the 60th day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to section 408(d)(3)).

Section 408(d)(3)(B) of the Code provides that section 408(d)(3) does not apply to any amount described in section 408(d)(3)(A)(i) received by an individual from an IRA if at any time during the 1-year period ending on the day of such receipt such individual received any other amount described in section 408(d)(3)(A)(i) from an IRA which was not includible in gross income because of the application of section 408(d)(3).

Section 408(d)(3)(D) of the Code provides a similar 60-day rollover period for partial rollovers.

Section 408(d)(3)(E) of the Code provides that the rollover provisions of section 408(d) do not apply to any amount required to be distributed under section 408(a)(6).

Section 408(d)(3)(I) of the Code provides that the Secretary may waive the 60-day requirement under sections 408(d)(3)(A) and 408(d)(3)(D) of the Code where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement. Only distributions that occurred after December 31, 2001, are eligible for the waiver under section 408(d)(3)(I) of the Code.

Revenue Procedure 2003-16, 2003-4 I.R.B. 359 (January 27, 2003) provides that in determining whether to grant a waiver of the 60-day rollover requirement pursuant to section 408(d)(3)(I), the Service will consider all relevant facts and circumstances, including: (1) errors committed by a financial institution; (2) inability to complete a rollover due to death, disability, hospitalization, incarceration, restrictions imposed by a foreign country or postal error; (3) the use of the amount distributed (for example, in the case of payment by check, whether the check was cashed); and (4) the time elapsed since the distribution occurred.

The information and documentation submitted by Taxpayer A is consistent with his assertion that his failure to accomplish a rollover within the 60-day period prescribed by section 408(d)(3) of the Code was due to his medical condition.

Therefore, pursuant to section 408(d)(3) of the Code, the Service hereby waives the 60-day rollover requirement with respect to the distribution of Amount B from IRA X. Provided all other requirements of section 408(d)(3) of the Code, except the 60-day requirement, are met with respect to such contribution, Amount B will be considered a rollover contribution within the meaning of section 408(d)(3) of the Code.

No opinion is expressed as to the tax treatment of the transaction described herein under the provisions of any other section of either the Code or regulations which may be applicable thereto.

This ruling does not authorize the rollover of amounts that are required to be distributed by section 401(a)(9) of the Code.

This letter is directed only to the taxpayer who requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

If you wish to inquire about this ruling, please contact \*\*\*, 1.D. No. \*\*\*, at \*\*\* or \*\*\* (FAX). Please address all correspondence to \*\*\*.

Sincerely yours,



Donzell H. Littlejohn, Manager  
Employee Plans, Technical Group 4

Enclosures:

Deleted Copy of Ruling Letter  
Notice of Intention to Disclose